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FOR IMMEDIATE RELEASE:

METROPOLITAN BROKERS CHARGED BY WA STATE REGULATOR

Investors Lose Retirement Savings Due to High Risk Recommendations

OLYMPIA, WA – The Department of Financial Institutions (DFI) filed charges against 15 former Metropolitan Investment Securities, Inc. (MIS) brokers for allegedly making unsuitable recommendations to thousands of Pacific Northwest residents. Investors purchased millions of dollars worth of Metropolitan Mortgage and Securities Co., Inc. (Metropolitan) and Summit Securities, Inc. (Summit) securities and were misled as to the risks involved.

Charges were filed against the following brokers:

- Gordon E. Adams, Walla Walla, WA
- Suzanne T. Adams, Walla Walla, WA
- Elizabeth Adams Armstrong, Beaverton, OR
- Ross E. Bruner, Woodinville, WA
- Steve F. Haug, Vancouver, WA
- Gary T. Hundebay, University Place, WA
- Lori L. Masterson, Greenacres, WA
- Ronald H. Mayfield, Spokane, WA
- Michael H. McMillen, White Salmon, WA
- Theodore R. Metoyer, Spokane, WA
- Lamar J. Miller, Veradale, WA
- Annette O. Miller, Veradale, WA
- Randal M. Saccomanno, Deer Park, WA
- Ronald J. Saccomanno, Spokane, WA
- Ryan S. Saccomanno, Spokane, WA

From 2001 to 2003, the brokers sold over \$162 million worth of debentures, investment certificates, and preferred stock while the financial condition of Metropolitan and Summit was deteriorating. They targeted older, financially unsophisticated investors with limited assets who needed low risk investments to sustain them during their retirement years. Relying on the advice of their brokers, many of these consumers invested their life savings. The brokers emphasized only the safety and soundness of the investments -- while disregarding the companies' reported losses and insufficient earnings to cover existing debts.

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“Brokers have an independent duty to make sure that their investment recommendations are suitable,” said Helen Howell, Director of DFI. “We believe that these brokers ignored that duty by recommending Metropolitan and Summit securities and abused the trust of some of our most vulnerable citizens,” Director Howell continued.

DFI intends to revoke or suspend the securities licenses of many of the brokers, censure other brokers, and seek fines. The Respondents may request a hearing in this matter. In conjunction with this Statement of Charges, DFI is sending letters to several former MIS brokers not named in the charges to remind them of their obligation to make suitable recommendations. DFI is also sending letters to all brokerage firms who currently employ former MIS brokers. In light of DFI’s findings, the employers are encouraged to review the adequacy of their supervision of former MIS brokers’ sales practices.

“While we are seeking fines in this matter, our primary goal is to protect the investing public from any threat of future wrongdoing by these brokers,” stated Michael Stevenson, Director of DFI’s Securities Division.

Metropolitan, Summit and MIS filed for bankruptcy protection in February 2004. The companies are the subject of investigations by DFI and numerous other authorities, including the Securities and Exchange Commission, the United States Department of Justice, and an examiner appointed by the Bankruptcy Court. Metropolitan, Summit, MIS, and certain officers of these entities are also named as defendants in private lawsuits, including numerous class-action suits.

“The collapse of Metropolitan and Summit was devastating to thousands of investors in the Pacific Northwest,” said Director Howell. “With this action, the brokers who violated the law while selling these investments are being held accountable for their conduct,” she concluded.

DFI may be contacted at 1-877 RING DFI or you can visit them on the web at www.dfi.wa.gov.

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